

Hog Prices: ↓ Soymeal: ↑
Corn: ↑ CDN Dollar: ↑

US Slaughter	
480,000	Wednesday
460,000	Year Ago
Daily Prices	
W. Corn Belt	\$46.79
National	\$56.59
Iowa/S. MN.	\$46.90
ML Signature 5	\$126.62
HyLife (prev. day)	\$135.87
TCP/BP2	\$126.62
BoC Rate (Noon) prev. day	
\$1.3600 CAD / \$0.7353 USD	
Cash Prices Week Ending December 29th, 2018	
Signature 3	109.94/49.87
Signature 4	136.66/61.99
Signature 5 Brandon	123.30/55.93
h@ms Cash	134.49/61.00
HyLife	135.99/61.68
TCP/BP2	124.54/56.49
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$6.51 ckg (call for details)	
ISO Weans \$66.67 US Avg.	
Feeder Pigs \$70.72 US Avg.	

Forward contract prices opened mixed to lower this morning.

US cash markets are showing some signs of life with all reporting regions coming in higher than the previous session. The move represents one of the few times in recent memory where all regions were trending in the same direction and the first time this year (albeit only witnessing three marketing days for the first week of '2019'). Nevertheless, cash strength is typically a feature of the market seen at this time of year (all else equal) and the three-year average has shown an approximate 11% increase in cash values when comparing week one to week eight (end of February). There are of course no guarantees, but the trend remains in tact for now. Lean hog futures showed significant strength to start yesterday's session but backed off considerably by the end of the trading day. However, closing values still came in higher than the previous day and are trading with an uptrend as of this writing. The apparent rationale appears to be coming from ideas that African Swine Fever is getting worse by the day and heavy suspicions that the Chinese government is underreporting the extent of the impacts either by design or by limited ability. Regardless, the disease is getting worse. The only question is whether US pork actually is going to be used to fill supply gaps directly or indirectly. Currently, there is no evidence of either.

Canadian delivered soymeal prices opened higher this morning.

US soybeans continue to show some strength this morning after yesterday's strong start to the new year. Despite poorer-than-expected export inspections from private sources (sales numbers are suspended during the US government shut down), the market rallied on ideas that weather in Brazil is a bit more challenging than at first thought. As well, there is still underlying optimism regarding a resolution to the China/USA trade war, but it is difficult to pinpoint the optimism as Trade Representative Lighthizer has recently been quoted as saying additional tariffs are not off the table as means to pressure China further.

US corn futures opened higher this morning.

US corn futures continue to trend higher and are reportedly 'following' the bean complex as commodities see some recent strength. 'New money' for commodities in the new year is also being cited as some rationale for the support. Crop stress issues in Brazil are also factoring into the recent strength as Brazil is also a large producer of corn for sale into international markets. In the meantime, there is news the USDA is deciding if they will publish some reports including the WASDE on January 11 due to complexities associated with the US government shutdown.

Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		142.81 146.22	147.07 152.79	154.23 161.76	166.87 179.33	182.25 195.30	190.47 193.18	179.55 194.45	162.87 170.22	157.89 161.61
Soymeal Wpg/S.Man	476	475	473	478	478	486				

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